

SENATE JOINT RESOLUTION 17

Proposed Constitutional Amendment

PROVIDING FOR STATE BUILDING AUTHORITY

Shall Article VIII of the State Constitution be amended by adding a new section authorizing creation by the legislature of a state building authority to construct buildings and improvements for lease to state agencies or departments for up to seventy-five years, and to finance such construction through issuance of bonds or other evidences of indebtedness to be paid from the authority's revenues which would not be subject to the constitutional debt limitation?

Vote cast by members of the 1967 Legislature on final passage:
SENATE: (49 members) Yeas, 46; Nays, 2; Absent or not voting, 1.
HOUSE: (99 members) Yeas, 92; Nays, 3; Absent or not voting, 4.

*Ballot Title as issued by the Attorney General.

Statement **FOR**

A timely, business-like method of financing construction for state agencies

The system now is too slow. The state colleges and universities struggle to keep facilities somewhere near par with advancing enrollments. Other state agencies are similarly behind the needs of the people. The race is being lost and this constitutional amendment, in conjunction with Referendum 19 this year, is an effort to solve the problem.

Briefly stated, the situation is this: Ten years ago the Washington State Supreme Court reversed previous interpretation of the State Constitution and ruled that general obligation bonding passed by the Legislature must be referred to the voters at the next general election. This means a two-year delay in approval of capital construction with no real assurance that the projects will go ahead. The thirty projects in Referendum 19, for example, should be in service by now, but won't even be voted on until November 5.

To solve this legal problem, Senate Joint Resolution 17 was overwhelmingly passed during the 1967 session (by votes of 42 to 2 in the Senate and 92 to 3 in the House of Representatives.)

SJR 17 provides for a State Building Authority to finance construction immediately after the Legislature has approved a project or projects. Companion legislation provides

that the Authority would consist of the Governor, Lieutenant Governor and State Treasurer, which is the current state bond issuing agency. The Legislature would authorize bonds for capital expenditures just as it did before the Supreme Court's 1958 ruling. The using institution would make payments from its operating budget on each building financed in this manner until the bonds are retired, at which time title to the building would pass from the State Building Authority to the using institution.

SJR 17 will enable state agencies to react to public needs more rapidly and at the same time permit the Legislature to maintain public control over all state building programs.

Committee appointed to compose statement FOR Senate Joint Resolution 17:

GORDON SANDISON, State Senator; ROBERT F. GOLDSWORTHY, State Representative; FRANK W. FOLEY, State Senator.

Advisory Committee: JOHN RUPP, State Chairman, Citizens for Ref. 19-SJR 17; MRS. GEORGE N. PRINCE, Vice Chairman, Citizens for Ref. 19-SJR 17; DR. C. CLEMENT FRENCH, Vice Chairman, Citizens for Ref. 19-SJR 17; JOE DAVIS, President, Washington State Labor Council; A. LARS NELSON, Master, Washington State Grange.

The Law as it now exists:

The construction of buildings and other improvements for the various state agencies is from time to time financed through the issuance by the state of general obligation, limited obligation, or revenue bonds. Under the present constitution no law authorizing the state to contract debt in excess of the state constitutional debt limit through the issuance of general obligation bonds can take effect until it shall have been submitted to and approved by the people at a general election. The state supreme court has held this requirement of voter approval to be applicable to bonds which are issued to finance the construction of buildings for lease to state agencies when the rental payments are to be financed from state general fund appropriations.

Effect of Senate Joint Resolution No. 17 if approved into Law:

The proposed amendment would authorize the

legislature to create a state agency called the state building authority. If authorized by the legislature, this agency could contract with other state agencies to construct buildings and improvements for their use on a lease basis at a reasonable rental rate for a term not to exceed 75 years. In addition, if authorized by the legislature, the building authority could finance such construction by borrowing funds solely on its own credit through the issuance of bonds or other evidences of indebtedness to be secured by pledges of the authority's income or by mortgages of its leaseholds. In the event the authority utilizes this method of incurring indebtedness, the bonds or other evidences of indebtedness would not be subject to the constitutional debt limitation and could, therefore, be issued without a vote of the people.

Approval of this proposed amendment will validate the provisions of chapter 162, Laws of 1967, which creates a state building authority.

Note: Complete text of Senate Joint Resolution No. 17 appears on Page 49.

Statement AGAINST

Before any constitutional amendment can be submitted to the voters for decision, our state constitution requires that the proposal must first be approved by at least two-thirds of the members of each branch of the state legislature.

Senate Joint Resolution No. 17 was so approved by the 1967 Legislature and no member could be enlisted to write a statement against the measure for publication in this pamphlet.

constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

Passed the Senate February 15, 1967. Passed the House March 9, 1967.

JOHN A. CHERBERG, President of the Senate.
DON ELDRIDGE, Speaker of the House.

EXPLANATORY COMMENT S.J.R. NO. 6:

All words underscored do not appear in the Constitution as it is now written but will be put in if this amendment is adopted.

COMPLETE TEXT OF

**Proposed
Constitutional Amendment**

SENATE JOINT RESOLUTION 17

Ballot Title as issued by the Attorney General:

**PROVIDING FOR STATE BUILDING
AUTHORITY**

Shall Article VIII of the State Constitution be amended by adding a new section authorizing creation by the legislature of a state building authority to construct buildings and improvements for lease to state agencies or departments for up to seventy-five years, and to finance such construction through issuance of bonds or other evidences of indebtedness to be paid from the authority's revenues which would not be subject to the constitutional debt limitation?

BE IT RESOLVED, *By the Senate and House of Representatives of the State of Washington, in Legislative Session Assembled:*

THAT, At the next general election to be held in this state, there shall be submitted to the qualified voters of this state for their approval and ratification, or rejection, a proposal to amend Article VIII of the Constitution of the state of Washington by adding thereto a new section to be designated section 8 which shall read as follows:

NEW SECTION. Article VIII, section 8. The legislature is empowered notwithstanding any other provision in this Constitution, to provide for a state building authority in corporate and politic form which may contract with agencies or departments of the state government to construct upon land owned by the state or its agencies, or to be acquired by the state building authority, buildings and appurtenant improvements which such state agencies or departments are hereby empowered to lease at reasonable rental rates from the Washington state building authority for terms up to seventy-five years with provisions for eventual vesting of title in the state or its agencies. This section shall not be construed as authority to provide buildings through lease or otherwise to nongovern-

mental entities. The legislature may authorize the state building authority to borrow funds solely upon its own credit and to issue bonds or other evidences of indebtedness therefor to be repaid from its revenues and to secure the same by pledging its income or mortgaging its leaseholds. The provisions of sections 1 and 3 of this article shall not apply to indebtedness incurred pursuant to this section.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

Passed the Senate February 17, 1967. Passed the House March 6, 1967.
JOHN A. CHERBERG, President of the Senate.
DON ELDRIDGE, Speaker of the House.

EXPLANATORY COMMENT S.J.R. NO. 17:

All words underscored do not appear in the Constitution as it is now written but will be put in if this amendment is adopted.

COMPLETE TEXT OF

**Proposed
Constitutional Amendment**

SENATE JOINT RESOLUTION 23

Ballot Title as issued by the Attorney General:

**TAXING DISTRICTS:
EXCESS LEVY ELECTIONS**

Shall the State Constitution be amended to permit taxing districts, if authorized by the legislature, to submit propositions for property tax levies exceeding the forty-mill limit to their voters up to 24 months before the levy date, thereby permitting two consecutive annual excess levies to be approved at one election; and authorizing submission of a second proposition in any twelve-month period only if it is substituted for the excess levy previously approved for that year?

BE IT RESOLVED, *By the Senate and the House of Representatives of the State of Washington, in Legislative Session Assembled:*

THAT, At the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1967, there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article VII of the Constitution of the state of Washington by amending section 2 as added by the 17th Amendment of the Constitution, as follows:

Article VII, section 2. Except as hereinafter provided and notwithstanding any other provision of this Constitution, the aggregate of all tax levies upon real and personal property by the state and all taxing districts now existing or hereafter created, shall not in any year exceed forty mills on